

**CONTRACT #1**  
**RFS # 335.03-749**

**Department of Commerce  
& Insurance**

**Fire Prevention Division**

**VENDOR:**  
**Kenneth R. Culver**  
**Deputy Electrical Inspector**



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-5065  
615-741-6007

PHIL BREDESEN  
GOVERNOR

PAULA A. FLOWERS  
COMMISSIONER

November 16, 2006

RECEIVED

NOV 22 2006

FISCAL REVIEW

Ms. Leni Chick  
Fiscal Review Committee  
8<sup>th</sup> Floor, Rachel Jackson Building  
Nashville, Tennessee 37243

**Re: Terms of Contract/Amendment and Basic Justification for the Non-Competitive Procurement**

Dear Ms. Chick:

**Background of Current Electrical Inspecting Contracting Process**

As prior Alternative Competitive Procurement Method (ACPM) requests from the Department of Commerce and Insurance, Division of Fire Prevention, Electrical Inspection Section have stated, the Department is required by law to perform inspections of electrical installations in accordance with Tenn. Code Ann. § 68-102-143; furthermore, such statute requires the Commissioner of the Department to contract with deputy inspectors for their services in making electrical inspections. At the close of last fiscal year, we evaluated the feasibility of appointing full-time state employees to provide the inspection services required by law, and a bill was filed in the legislature which would allow the Commissioner to employ such inspectors. Ultimately, the final version of the bill, which passed and was signed into law, required the Commissioner [of Commerce and Insurance] to "contract with each deputy electrical inspector through his or her professional corporation to provide electrical inspection services." Public Acts, Chapter 877 (2006) (*a copy of which is attached*). The Department will no longer be able to enter into contracts with an individual for electrical inspection services but will be required to contract with the "inspector through his or her professional corporation. . . ." *Id.*

The Deputy Electrical Inspectors (DEIs), now through their individual professional corporations, perform electrical inspections on behalf of the Electrical Section of the State Fire Marshal's Office to ensure that electrical conductors and equipment within or on public and private buildings and other premises throughout the state meet minimum adopted state electrical safety standards.

### **Amendment Currently Under Review- Returned by the Comptroller**

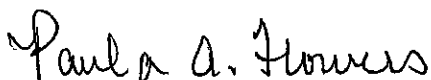
Amendment Six (6) to contract # FA-04-15613-00 was necessary because Mr. Culver had already performed inspections work exceeding the maximum liability of two hundred forty-eight thousand three hundred and eighty-one dollars (\$248,381.00) before the end of his contract, on September 30, 2006. The reasons Mr. Culver exceeded this maximum amount were two-fold: first, the original calculated maximum liabilities of the contract and subsequent amendments were simply estimates based on past historical data of inspections. The Department has no way of knowing how many new homes will be built or how many total electrical inspections will be required in any given area. The Department's estimate of the number of required electrical inspections in Mr. Culver's area was too low. Second, electricity cannot be connected to the structure on a permanent basis without an electrical inspection. Tenn. Code Ann. § 68-102-143(c). If Mr. Culver did not perform the inspections, citizens of the state would go without electrical power until an inspection was completed. Mr. Culver is the only inspector in the Somerville area to perform electrical inspections. The only other option for performing inspections in Mr. Culver's area is a roving (part-time) inspector from the Millington area, quite a distance from Somerville (approximately forty-nine (49) miles). The Department is thus severely short staffed in West Tennessee. However, a recent statewide search for Deputy Electrical Inspectors only found one additional qualified individual for the Deputy Electrical Inspector positions, and we anticipate on contracting with him through his professional corporation in the immediate future.

### **Sixty (60) Day Time Frame Issue**

The reason for the lack of a sixty (60) day lead time was also two-fold: first, Mr. Culver was performing more inspections than usual, and he did fail to notify the Department that the original calculated maximum liability for his contract was going to be insufficient. Second, with all of the confusion surrounding passage of the new Deputy Electrical Inspector bill and the compounded confusion resulting from the debate over whether or not a maximum liability of one hundred and seventy-five thousand dollars (\$175,000.00) was going to be allowed for the Deputy Electrical Inspector contracts, the Electrical Section failed to notice that Mr. Culver was fast approaching his maximum liability. Thus, by the time the Department saw the error, the sixty (60) day window had passed.

Based upon the above reasoning concerning the additional maximum liability on Mr. Culver's contract, I request that the Fiscal Review Committee accept this Department/Division's explanation of the delay in submitting the proper documents to the Committee and approve the contract amendment under consideration.

Sincerely,



Paula A. Flowers  
Commissioner, Department of Commerce and Insurance

PAF/EHT/EHN/MMS/MBP/sks

## REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

RECEIVED

NOV 22 2006

FISCAL REVIEW

Commissioner of Finance &amp; Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED.

1) RFS #	335.03-749	
2) State Agency Name :	Department of Commerce and Insurance, Fire Prevention Division, Electrical Inspection Program	
<b>EXISTING CONTRACT INFORMATION</b>		
3) Service Caption :	Conduct Inspections of electrical installations in accordance with applicable laws and rules	
4) Contractor :	Mr. Kenneth R. Culver, Deputy Electrical Inspector	
5) Contract #	FA-04-15613-00	
6) Contract Start Date :	September 1, 2003	
7) <u>Current</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	September 30, 2006	
8) <u>Current</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$248,381.00	
<b>PROPOSED AMENDMENT INFORMATION</b>		
9) <u>Proposed</u> Amendment #	FA-04-15613-06	
10) <u>Proposed</u> Amendment Effective Date : (attached explanation required if date is < 60 days after F&A receipt)	September 29, 2006 - the date of the amendment's execution (see attached explanation)	
11) <u>Proposed</u> Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	September 30, 2006	
12) <u>Proposed</u> Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	\$258,381.00	
13) Approval Criteria : (select one)	<input checked="checked" type="checkbox"/> use of Non-Competitive Negotiation is in the best interest of the state <input type="checkbox"/> only one uniquely qualified service provider able to provide the service	
14) Description of the Proposed Amendment Effects & Any Additional Service :		
The proposed amendment adds ten thousand dollars (\$10,000.00) to the maximum liability of Mr. Culver's contract with the Department, which ended on September 30, 2006. This amendment was necessary to ensure Mr. Culver is paid for work he has already completed on behalf of the Department.		

**15) Explanation of Need for the Proposed Amendment :**

Contract Number FA-04-15613-06 (Amendment 6) is necessary because Mr. Culver had already performed inspections that exceeded the maximum liability of two hundred forty-eight thousand three hundred and eighty-one dollars (\$248,381.00) before his contract expired on September 30, 2006. The reasons Mr. Culver exceeded this maximum amount were two-fold: first, the original calculated maximum liabilities of the contract and subsequent amendments were simply estimates based on historical data of inspections in that area. The Department has no way of knowing how many new homes will be built or how many total electrical inspections will be required in any given area. The Department's estimate of the number of required electrical inspections in Mr. Culver's area was too low. Second, electricity cannot be connected to the structure on a permanent basis without an electrical inspection. If Mr. Culver did not perform the inspections, citizens of the state would go without electrical power until an inspection was completed. see Tenn. Code Ann. § 68-102-143(c). Mr. Culver is the only electrical inspector in the Somerville area. The only other option for performing inspections in Mr. Culver's area is a roving (part-time) inspector from the Millington area, quite a distance from Somerville (approximately forty-nine (49) miles). The Department is severely short-staffed in West Tennessee. A recent statewide search for Deputy Electrical Inspectors only found one additional qualified individual for the Deputy Electrical Inspector positions, and we anticipate on contracting with him through his professional corporation in the immediate future.

**16) Name & Address of Contractor's Current Principal Owner(s) :**

(not required if proposed contractor is a state education institution)

The contractor was, until the new and approved contracts went into effect October 1, 2006, an individual.

Kenneth R. Culver, 2380 Warren Road, Oakland, Tennessee 38060 (State contracted Deputy Electrical Inspector)

**17) Documentation of Office for Information Resources Endorsement :**

(required only if the subject service involves information technology)

select one:

☐

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

**18) Documentation of Department of Personnel Endorsement :**

(required only if the subject service involves training for state employees)

select one:

☐

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

**19) Documentation of State Architect Endorsement :**

(required only if the subject service involves construction or real property related services)

select one:

☐

Documentation Not Applicable to this Request

☐

Documentation Attached to this Request

**20) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

As prior Alternative Competitive Procurement Method (ACPM) requests from the Department of Commerce and Insurance, Division of Fire Prevention, Electrical Inspection Section have stated, the Department is required by law to perform inspections of electrical installations in accordance with Tenn. Code Ann. § 68-102-143; furthermore, such statute requires the Commissioner of the Department to contract with deputy inspectors for their services in making electrical inspections. At the close of last fiscal year, we evaluated the feasibility of appointing full-time state employees to provide the inspection services required by law, and a bill was filed in the legislature which would allow the Commissioner to employ such inspectors. Ultimately, the final version of the bill, which passed and was signed into law, required the Commissioner [of Commerce and Insurance] to "contract with each deputy electrical inspector through his or her professional corporation to provide electrical inspection services." Public Acts, Chapter 877 (2006) (*a copy of which is attached*). The Department will no longer be able to enter into contracts with an individual for electrical inspection services but will be required to contract with the "inspector through his or her professional corporation. . . ." *Id.*

If a typical Request For Proposals (RFP) process was used to procure electrical inspection services it would be difficult to achieve the necessary continuity of service, given the cumbersome nature of that process. With the number of contractors required, approximately (85-95), an RFP would be so cumbersome in the submittal of proposals and the reviewing of such proposals, that the citizens of the state would likely suffer undue delay in obtaining electrical inspections.

Additionally, during recent statewide advertisement and solicitation for potential Deputy Electrical Inspector contractors, the Department was only able to find one new potential contractor, not otherwise under contract with the department, who met the minimum qualifications.

**21) Justification for the Proposed Non-Competitive Amendment :**

Mr. Culver has already performed the work for the State. He has performed a statutorily mandated service for the citizens of this State in that electricity cannot be connected to a new installation on a permanent basis without an approved electrical inspection. Tenn. Code Ann. § 68-102-143(c). Furthermore, Mr. Culver was the only inspector in that area to perform such inspections. As stated above,

the closest other contracted inspector is approximately forty-nine (49) miles away. The necessity of providing thorough, timely and consistent electrical inspections to the citizens of this State should justify this amendment.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)

Paula A. Flowers

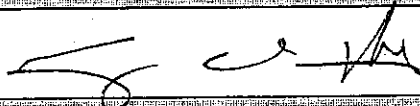
November 21, 2006

Agency Head Signature

Date

# CONTRACT SUMMARY SHEET

021406

<b>RES #</b>		<b>Contract #</b>	
33503 04 013 014		FA-04-15613-00	
<b>State Agency</b>		<b>State Agency Division</b>	
Commerce and Insurance		Fire Prevention-Electrical Inspectors	
<b>Contractor Name</b>		<b>Contractor ID # (FEIN or SSN)</b>	
Kenneth R Cuiver.		<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 409821310 00	
<b>Service Description</b>		<b>RECEIVED</b> NOV 22 2006 <b>FISCAL REVIEW</b>	
To conduct inspections of electrical installations in accordance with all applicable statutes, attend and complete 16 hours of training on the National Electrical Code and up to 16 hours training on manufactured home stabilizing systems. Inspect manufactured home stabilizing systems for compliance. Submit reports of inspections performed and other reports as directed.			
<b>Contract Begin Date</b>	<b>Contract End Date</b>	<b>SUBRECIPIENT or VENDOR?</b>	<b>CFDA #</b>
September 1, 2003	September 30 2006	vendor	
<b>Mark Each TRUE Statement</b>		<b>X Contractor's Form W-9 is on file in Accounts</b>	
<b>x Contractor is on STARS</b>			
<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>
33503	07	083	11
<b>FY</b>	<b>State</b>	<b>Federal</b>	<b>Interdepartmental</b>
2004	43,800.00		
2005	75,900.00		
2006	100,000.00		
2007	38,681.00		
<b>TOTAL:</b>	258,381.00		
<b>State Agency Fiscal Contact &amp; Telephone #</b>		<b>State Agency Budget Officer Approval</b>	
Eugene Neubert, Chief Fiscal Services Officer 615-253-6846			
<b>FY</b>	<b>Base Contract &amp; Prior Amendments</b>	<b>THIS Amendment ONLY</b>	<b>Funding Certification</b> (certification required by T.C.A. § 9-4-5113; that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)
2004	43,800.00		
2005	75,900.00		
2006	100,000.00		
2007	28,681.00	10,000.00	
<b>TOTAL:</b>	\$248,381.00	\$10,000.00	
<b>End Date:</b>	June 30, 2006	September 30, 2006	
<b>Contractor Ownership</b> (complete only for base contracts with contract # prefix FA or GR)			
<input type="checkbox"/> African American <input type="checkbox"/> Person w/ Disability <input type="checkbox"/> Hispanic <input type="checkbox"/> Small Business <input checked="" type="checkbox"/> NOT minority/disadvantaged			
<input type="checkbox"/> Asian <input type="checkbox"/> Female <input type="checkbox"/> Native American <input type="checkbox"/> OTHER minority/disadvantaged—			
<b>Contractor Selection Method</b> (complete for ALL base contracts—N/A to amendments or delegated authorities)			
<input type="checkbox"/> RFP <input type="checkbox"/> Competitive Negotiation <input type="checkbox"/> Alternative Competitive Method			
<input type="checkbox"/> Non-Competitive Negotiation <input type="checkbox"/> Negotiation w/ Government (e.g., ID, GG, GU) <input type="checkbox"/> Other			
<b>Procurement Process Summary</b> (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)			

AMENDMENT FIVE (6)  
TO CONTRACT #FA-04-15613-00  
BETWEEN THE STATE OF TENNESSEE,  
DEPARTMENT OF COMMERCE AND INSURANCE  
AND  
DEPUTY ELECTRICAL INSPECTOR KENNETH R. CULVER

This CONTRACT, by and between the State of Tennessee, DEPARTMENT OF COMMERCE AND INSURANCE, hereinafter referred to as the State, and KENNETH R. CULVER, hereinafter referred to as the CONTRACTOR, is hereby amended as follows:

1. Delete Section C.1. Maximum Liability in its entirety and insert the following in its place:

C.1. In no event shall the maximum liability of the State under this Contract exceed two hundred fifty-eight thousand three hundred eighty-one dollars (\$258,381.00). This amount shall constitute the entire compensation due the Contractor for the service and all of the Contractor's obligations hereunder regardless of the difficulty, hours worked, or materials or equipment required. The Contract amount includes, but is not limited to, all applicable taxes, fees, overhead, profit and all other direct and indirect costs incurred or to be incurred by the Contractor.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

IN WITNESS WHEREOF,

KENNETH R. CULVER:

Kenneth R. Culver

Signature

9.29.06

Date

KENNETH R. CULVER D.E.I. 5050

Signatory Printed Name and Title

DEPARTMENT OF COMMERCE AND INSURANCE:

Paula A. Flowers, Commissioner

Date

APPROVED:

DEPARTMENT OF FINANCE AND ADMINISTRATION:

M. D. Goetz, Jr.

M. D. Goetz, Jr., Commissioner

Date



DEPARTMENT OF PERSONNEL:

---

Deborah E. Story, Commissioner

Date

COMPTROLLER OF THE TREASURY:

---

John G. Morgan, Comptroller of the Treasury

Date

# CONTRACT SUMMARY SHEET

021406

<b>RFS #</b>	<b>Contract #</b>
33503 04 013 014	FA-04-15613-0005
<b>State Agency</b>	<b>State Agency Division</b>
Commerce and Insurance	Fire Prevention-Electrical Inspectors
<b>Contractor Name</b>	<b>Contractor ID # (FEIN or SSN)</b>
Kenneth R. Culver	<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 409821310 00

**Service Description**

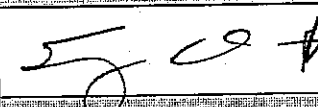
To conduct inspections of electrical installations in accordance with all applicable statutes and submit reports bi-weekly.

<b>Contract Begin Date</b>	<b>Contract End Date</b>	<b>SUBRECIPIENT or VENDOR?</b>	<b>CFDA #</b>
September 1, 2003	September 30 2006	vendor	

<b>Mark Each TRUE Statement</b>	<b>X Contractor's Form W-9 is on file in Accounts</b>
<input checked="" type="checkbox"/> Contractor is on STARS	

<b>Allotment Code</b>	<b>Cost Center</b>	<b>Object Code</b>	<b>Fund</b>	<b>Funding Grant Code</b>	<b>Funding Subgrant Code</b>
33503	07	083	11		

FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
2004	43,800.00				43,800.00
2005	75,900.00				75,900.00
2006	100,000.00				100,000.00
2007	28,681.00				28,681.00
<b>TOTAL:</b>	248,381.00				248,381.00

<b>— COMPLETE FOR AMENDMENTS ONLY —</b>			<b>State Agency Fiscal Contact &amp; Telephone #</b>	
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Eugene Neubert, Chief Fiscal Services Officer 615-253-6846	
2004	43,800.00		<b>State Agency Budget Officer Approval</b>  AUG - 1 2006	
2005	75,900.00			
2006	100,000.00			
2007		28,681.00		
<b>TOTAL:</b>	219,700.00	28,681.00	<b>Funding Certification</b> (certification required by 49 C.F.R. 94.5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)	
<b>End Date:</b>	June 30, 2006	September 30, 2006	JUL 28 2006 CEIVE 21 PM	

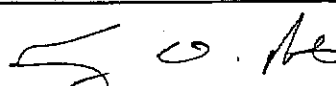
<b>Contractor Ownership</b> (complete only for base contracts with contract # prefix FA or GR)				
<input type="checkbox"/> African American	<input type="checkbox"/> Person w/ Disability	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Small Business	<input type="checkbox"/> NOT minority/disadvantaged
<input type="checkbox"/> Asian	<input type="checkbox"/> Female	<input type="checkbox"/> Native American	<input type="checkbox"/> OTHER minority/disadvantaged—	

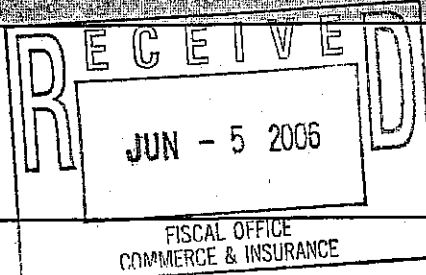
<b>Contractor Selection Method</b> (complete for ALL base contracts — N/A to amendments or delegated authorities)				
<input type="checkbox"/> RFP	<input type="checkbox"/> Competitive Negotiation	<input type="checkbox"/> Alternative Competitive Method		
<input type="checkbox"/> Non-Competitive Negotiation	<input type="checkbox"/> Negotiation w/ Government (e.g., ID, GG, GU)	<input type="checkbox"/> Other		

<b>Procurement Process Summary</b> (complete for selection by Alternative Method, Competitive Negotiation, Non-Competitive Negotiation, OR Other)
---

# CONTRACT SUMMARY SHEET

8-8-05

RFS #				Contract #			
33503 04 013 014				FA04-15613-0004			
State Agency				State Agency Division			
Commerce and Insurance				Fire Prevention- Electrical Inspectors			
Contractor Name				Contractor ID # (FEIN or SSN)			
Kenneth R. Culver				<input type="checkbox"/> C- or <input checked="" type="checkbox"/> V- 409821310 00			
Service Description							
conduct inspections of electrical installations in accordance with applicable statutes and submit reports bi-weekly.							
Contract BEGIN Date		Contract END Date		Subrecipient or Vendor?		CFDA #	
September 1 2003		June 30 2006		vendor			
Mark if Statement is TRUE							
<input checked="" type="checkbox"/> Contractor is on STARS as required				<input checked="" type="checkbox"/> Contractor's Form W-9 is on file in Accounts as required			
Allotment Code		Cost Center		Object Code		Fund	
33503		07		083		11	
Funding Grant Code		Funding Subgrant Code		Funding Grant Code		Funding Subgrant Code	
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount		
2004	\$ 43,800.00				\$ 43,800.00		
2005	\$ 75,900.00				\$ 75,900.00		
2006	\$ 100,000.00				\$ 100,000.00		
					\$ -		
					\$ -		
					\$ -		
TOTAL	\$ 219,700.00	\$ -	\$ -	\$ -	\$ 219,700.00		
COMPLETE FOR AMENDMENTS ONLY				State Agency Fiscal Contact & Telephone #			
FY	Base Contract & Prior Amendments	THIS Amendment ONLY	Eugene Neubert, Fiscal Services Officer 615-253-6846				
2004	\$ 43,800.00		State Agency Budget Officer Approval				
2005	\$ 75,900.00						
2006	\$ 80,000.00	\$ 20,000.00					
Funding Certification (certification required by T.C.A., § 9-4-5113, that there is a balance in the appropriation from which the obligated expenditure is required to be paid that is not otherwise encumbered to pay obligations previously incurred)							
TOTAL	\$ 199,700.00	\$ 20,000.00					
End Date	June 30 2006	June 30 2006					
Contractor Ownership							
<input type="checkbox"/> African American		<input type="checkbox"/> Disabled		<input type="checkbox"/> Hispanic		<input type="checkbox"/> Small Business	
<input type="checkbox"/> Asian		<input type="checkbox"/> Female		<input type="checkbox"/> Native American		<input type="checkbox"/> NOT minority/disadvantaged	
Contractor Selection Method							
<input type="checkbox"/> RFP		<input type="checkbox"/> Competitive Negotiation		<input type="checkbox"/> Alternative Procurement Method			
<input type="checkbox"/> Non-Competitive Negotiation		<input type="checkbox"/> Government		<input type="checkbox"/> Other			
Procurement Process Summary							



# CONTRACT SUMMARY SHEET

RFS Number:	33503-04-013-014	Contract Number:	FA04-15613-06-03
State Agency:	Commerce and Insurance	Division:	Fire Prevention-Electrical Inspectors
Contractor:		Contractor Identification Number:	
Kenneth R Culver		x V- C-	409821310 00

## Service Description

To conduct inspections of electrical installations in accordance with all applicable statutes, attend and complete 16 hours of training on the National Electrical Code and up to 16 hours training on manufactured home stabilizing systems. Inspect manufactured home stabilizing systems for compliance. Submit reports of inspections performed and other reports as directed.

Contract Begin Date:	Contract End Date:
September 1 2003	June 30 2006

Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
33503	07	083	11	on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments
04	\$43,800.00				\$43,800.00
05	\$75,900.00				\$75,900.00
06	\$80,000.00				\$80,000.00
					\$0.00
					\$0.00
					\$0.00
Total	\$199,700.00	\$0.00	\$0.00	\$0.00	\$199,700.00

CEDA Number:	Check the box (below) ONLY if the answer is YES	
State Fiscal Contact		Is the Contractor a SUBRECIPIENT? (per OMB A-133)
Name:	Eugene Neubert, Chief Fiscal Services Officer	Is the Contractor a VENDOR? (per OMB A-133)
Address:	500 James Robertson Pkwy. 5th fl D. C. Tower	Is the Fiscal Year Funding STRICTLY LIMITED?
Phone:	615-253-6846	Is the Contractor on STARS?
Procuring Agency Budget Officer Signature		Is the Contractor's FORM W-9 ATTACHED?
		Is the Contractor's Form W-9 Filled with Accounts?

## COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	This Amendment ONLY
End Date >	June 30 2005	June 30 2006
FY 04	\$43,800.00	
FY 05	\$75,900.00	\$200.00
FY 06		\$80,000.00
FY		
FY		
FY		
Totals:	\$119,700.00	\$80,200.00

**Funding Certification**  
Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

PROCESSED

ADD 2 2 2005

DIRECTOR OF ACCOUNTS

APR 26 2005

OFFICE

NOCE

RECEIVED

APR - 4 PM

# CONTRACT SUMMARY SHEET

<b>RFS Number:</b>	33503-04-013-014	<b>Contract Number:</b>	FA04-15613-02
<b>State Agency:</b>	Commerce and Insurance	<b>Division:</b>	Fire Prevention-Electrical Inspectors
<b>Contractor:</b>		<b>Contractor Identification Number:</b>	
Kenneth R Culver		x	V-
		C-	409821310 00

**Service Description:**  
 To conduct inspections of electrical installations in accordance with all applicable statutes, attend and complete 16 hours of training on the National Electrical Code and up to 16 hours training on manufactured home stabilizing systems. Inspect manufactured home stabilizing systems for compliance. Submit reports of inspections performed and other reports as directed.

<b>Contract Begin Date:</b>	<b>Contract End Date:</b>
September 1 2003	June 30 2005

<b>Allotment Code:</b>	<b>Cost Center:</b>	<b>Object Code:</b>	<b>Fund:</b>	<b>Grant:</b>	<b>Grant Code:</b>	<b>Subgrant Code:</b>
33503	07	083	11	on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments
04	\$43,800.00				\$43,800.00
05	\$75,700.00				\$75,700.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
<b>Total</b>	\$119,500.00	\$0.00	\$0.00	\$0.00	\$119,500.00

<b>CFDA Number:</b>		<b>Check the box (below) ONLY if the answer is YES:</b>	
<b>State Fiscal Contact:</b>		<b>Is the Contractor a SUBRECIPIENT? (per OMB A-133)</b>	
<b>Name:</b>	Eugene Neubert, Chief Fiscal Services Officer	<b>Is the Contractor a VENDOR? (per OMB A-133)</b>	x
<b>Address:</b>	500 James Robertson Pkwy. 5th fl D. C. Tower	<b>Is the Fiscal Year Funding STRICTLY LIMITED?</b>	x
<b>Phone:</b>	615-253-6846	<b>Is the Contractor on STARS?</b>	x
<b>Procuring Agency Budget Officer Signature:</b>		<b>Is the Contractor's FORM W-9 ATTACHED?</b>	
		<b>Is the Contractor's Form W-9 Filed with Accounts?</b>	
		x	

<b>COMPLETE FOR ALL AMENDMENTS (only)</b>		
	<b>Base Contract &amp; Prior Amendments</b>	<b>This Amendment ONLY</b>
<b>End Date:</b>	June 30 2005	June 30 2005
<b>FY:</b>	04 \$43,000.00	\$800.00
<b>FY:</b>	05 \$12,500.00	\$63,200.00
<b>FY:</b>		
<b>FY:</b>		
<b>FY:</b>		
<b>FY:</b>		
<b>Totals:</b>	\$55,500.00	\$64,000.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

**RECEIVED**  
 2004 AUG -2 AM 11:00  
 COMPTROLLER'S OFFICE  
 OF  
 MANAGEMENT SERVICES  
 AUG - 4 2004

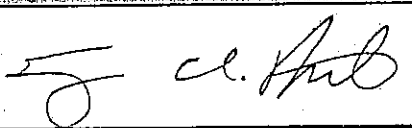
# CONTRACT SUMMARY SHEET

RFS Number:	33503-04-013-014	Contract Number:	FA04-15613-00 d7
State Agency:	Commerce and Insurance	Division:	Fire Prevention-Electrical Inspectors
Contractor:		Contractor Identification Number:	
Kenneth R. Culver		<input checked="" type="checkbox"/> x <input type="checkbox"/> V- <input type="checkbox"/> C-	409821310-00

## Service Description

To conduct inspections of electrical installations in accordance with all applicable statutes, attend and complete 16 hours of training on the National Electrical Code and up to 16 hours training on manufactured home stabilizing systems. Inspect manufactured home stabilizing systems for compliance. Submit reports of inspections performed and other reports as directed.

Contract Begin Date:				Contract End Date:			
September 1 2003				June 30 2005			
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code	
33503	07	083	11	on STARS			
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (include ALL amendments)		
04	\$37,000.00				\$37,000.00		
05	\$18,500.00				\$18,500.00		
					\$0.00		
					\$0.00		
					\$0.00		
					\$0.00		
Total:	\$55,500.00	\$0.00	\$0.00	\$0.00	\$55,500.00		

CFDA Number:	Check the box (below) ONLY if the answer is YES:	
State Fiscal Contact:	Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name: Eugene Neubert, Chief Fiscal Services Officer	Is the Contractor a VENDOR? (per OMB A-133)	x
Address: 500 James Robertson Pkwy. 5th fl D. C. Tower	Is the Fiscal Year Funding STRICTLY LIMITED?	x
Phone: 615-253-6846	Is the Contractor on STARS?	x
Procuring Agency Budget Officer Signature:	Is the Contractor's FORM W-9 ATTACHED?	
	Is the Contractor's Form W-9 Filed with Accounts?	x

## COMPLETE FOR ALL AMENDMENTS (only)

	Base Contract & Prior Amendments	This Amendment ONLY
End Date >	June 30 2004	June 30 2005
FY 04	\$37,000.00	
FY 05		\$18,500.00
FY		
FY		
FY		
FY		
Totals:	\$37,000.00	\$18,500.00

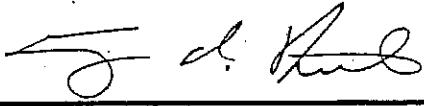
Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

MAR 31 2004

RECEIVED  
2004 MAR 22 AM 8:28  
COMPTROLLER'S OFFICE  
OFFICE OF  
MANAGEMENT SERVICES  
COPY



# CONTRACT SUMMARY SHEET

RFS Number:	33503-04-013-014		Contract Number:	FA-04-156B-08	
State Agency:	Department of Commerce & Insurance		Division:	Fire Prevention-Electrical Inspectors	
Contractor			Contractor Identification Number		
Kenneth R. Culver			X	V-	V409-82-1310-00
				C-	
Service Description					
To conduct inspections of electrical installations in accordance with all applicable statutes, attend and complete 16 hours of training on the National Electrical Code and up to 16 hours training on manufactured home stabilizing systems. Inspect manufactured home stabilizing systems for compliance. Submit reports of inspections performed and other reports as directed.					
Contract Begin Date			Contract End Date		
September 1 2003			June 30 2004		
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code
33503	07	083	11	on STARS	
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount, include ALL amendments
04	\$37,000.00				\$37,000.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
					\$0.00
Total:	\$37,000.00	\$0.00	\$0.00	\$0.00	\$37,000.00
CFDA Number:			Check the box (below) ONLY if the answer is YES:		
State Fiscal Contact			Is the Contractor a SUBRECIPIENT? (per OMB A-133)		
Name:	Eugene Neubert, Chief Fiscal Services Officer		Is the Contractor a VENDOR? (per OMB A-133)		
Address:	500 James Robertson Pkwy. 5th fl D. C. Tower		Is the Fiscal Year Funding STRICTLY LIMITED?		
Phone:	615-253-6846		Is the Contractor on STARS?		
Procuring Agency Budget Officer Signature			Is the Contractor's FORM W-9 ATTACHED?		
			Is the Contractor's Form W-9 Filed with Accounts?		
			Funding Certification		
COMPLETE FOR ALL AMENDMENTS (only)			Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.		
	Base Contract & Prior Amendments	This Amendment ONLY			
End Date >					
FY					
FY					
FY					
FY					
FY					
FY					
Totals:	\$0.00	\$0.00			

RECEIVED  
SEP 11 PM 3:50  
OFFICE OF  
MANAGEMENT SERVICES

SEP 24 2004

CONTRACT ACCOUNT

## REQUEST: ALTERNATIVE PROCUREMENT METHOD #458

APPROVED <i>John D. Morgan</i> Comptroller of the Treasury Date: 6-23-06	RECEIVED JUN 19 2006 COMM. OF FIN. & ADM. MANAGEMENT	APPROVED (refer specifically to request item #9) <i>M. D. Goetz</i> Commissioner of Finance & Administration Date: JUN 19 2006
---	---	---

Each of the request items below indicates specific information that must be individually detailed or addressed as required. A request can not be considered if information provided is incomplete, non-responsive, or does not clearly address each of the requirements individually as required.

1) RFS #	335.03-731
2) State Agency Name :	Department of Commerce and Insurance, Fire Prevention Division, Electrical Inspection Program
3) Service Caption :	Deputy Electrical Inspector -- Extension of the present Deputy Electrical Inspector Contracts
4) Contract Start Date : (attached explanation required if date is < 60 days after F&A receipt)	July 1, 2006 (This is the start date of proposed amendments to extend contract term 90 days. The actual contract start dates vary over the last three (3) fiscal years.)
5) Contract End Date IF <u>all</u> Options to Extend the Contract are Exercised :	September 30, 2006
6) Total Maximum Cost IF <u>all</u> Options to Extend the Contract are Exercised :	The estimated maximum liability for the proposed extension of the present Deputy Electrical Inspectors' contracts for an additional ninety (90) day period is one million eight hundred seventy-six thousand seven hundred and three dollars (\$1,876,703.00)
7) Description of Service to be Acquired :	
<p>The Department of Commerce and Insurance is required by law to perform inspections of electrical installations in accordance with Tenn. Code Ann. § 68-102-143; furthermore, such statute currently requires the Commissioner of the Department to contract with deputy inspectors for their services in making electrical inspections. However, House Bill 4028 and Senate Bill 3927, pertaining to electrical inspectors, recently passed both chambers of the General Assembly, and this legislation will have a direct effect on the way this Department contracts with Deputy Electrical Inspectors for their services in the future. As of October 1, 2006, the Commissioner of the Department of Commerce and Insurance will be required "to contract with each deputy electrical inspector through his or her professional corporation. . ." Essentially, the Department will no longer be able to enter into a contract with an individual for electrical inspection services but will be required to contract with the "inspector through his or her professional corporation. . ."</p> <p>The majority of electrical permit fee costs are set by Tenn. Code Ann. § 68-102-143, and the Department has determined that it shall retain 15% of those fees for administrative costs. With approximately 173,000 electrical permits issued in fiscal year 2004 - 2005, and approximately 228,000 electrical inspections performed during that same time period, continuity of service is essential for the well-being and safety of the general public. The program currently utilizes ninety-four (94) Deputy Electrical Inspectors (DEIs) to perform the required inspections. Each of these ninety-four (94) Deputy Electrical Inspectors' contracts expire on June 30, 2006. The current ACPM, approved by the Department of Finance and Administration and by the Comptroller of the Treasury, which has allowed for obtaining and contracting with Deputy Electrical Inspectors during fiscal year 2005-2006, also expires on June 30, 2006. Each DEI was contracted with under an approved ACPM request during fiscal years 2003 through 2005 (see attached copies of each of these ACPMs).</p>	

JUN 19 2006

RECEIVED



A new ACPM was approved by the Department of Finance and Administration on April 18, 2006 and by the Comptroller of the Treasury on April 26, 2006 (a copy of which is attached) that would allow and provide a method for obtaining and contracting with Deputy Electrical Inspectors from July 1, 2006 until June 30, 2011. However, because the recently enacted legislation (HB4028 and SB3927) will change the way the Department must contract with Deputy Electrical Inspectors from October 1, 2006 forward, through each of their professional corporations, and because of the necessary delay resulting from waiting to see what form the proposed legislation would eventually take, the Department has not yet been able to perform the processes set out in the newly approved ACPM for obtaining and contracting with Deputy Electrical Inspectors. The Department is therefore respectfully requesting that another ACPM be approved which would allow for extension of all of the present Deputy Electrical Inspectors' contracts from the period of July 1, 2006 until September 30, 2006. This extension of the present Deputy Electrical Inspectors' contracts will allow the Department the necessary time to follow the steps outlined in the previously approved, and above referenced, ACPM for obtaining and contacting with Deputy Electrical Inspectors from October 1, 2006 until June 30, 2011.

If this ACPM is approved allowing for the extension of the present contracts until September 30, 2006, the current Deputy Electrical Inspectors would continue to perform electrical inspections on behalf of the Electrical Section of the State Fire Marshal's Office to ensure that electrical conductors and equipment within or on public and private buildings and other premises throughout the state meet minimum adopted state electrical safety standards.

It may not be necessary to extend all ninety-four (94) of the present contracts as some of the current inspectors may not be interested in continuing past the June 30, 2006 current contract expiration date. Currently, only one such contract is known.

**8) Justification for Using an Alternative Procurement Method Rather Than an RFP :**

In 2003, an Alternate Competitive Procurement Method (ACPM) was initially designed, developed, and approved for the procurement of contractors to fill the Deputy Electrical Inspector positions. Over the past three years, this ACPM process has worked very well in procuring the highly skilled and trained individuals necessary to perform electrical inspections required by statute in order to protect the public from the dangers inherent in flawed electrical installations. We feel that the ACPM process ensures that any person, so desiring, will have a fair opportunity to apply for a Deputy Electrical Inspector's position.

In addition to the past track record of success through an ACPM process, another vital reason for using the ACPM is continuity of service. Continuity of service in obtaining statutorily mandated electrical inspections is imperative with the tremendous number of electrical inspections performed across the entire state on a yearly basis. To illustrate the importance of such continuity in service, Tenn. Code Ann. § 68-102-143(c) sets forth a requirement that no electrical service may be connected to an installation on a permanent basis without an electrical inspection approval. Thus, the ACPM process becomes critically important in securing the required contractual services in a timely manner. If a typical Request For Proposals (RFP) process were used to procure electrical inspection services, the necessary continuity, which is vital to the citizens of this State in securing electrical service in a timely manner, would be very difficult if not impossible to achieve given the cumbersome nature of the RFP process. It is very likely that at least the current number of ninety-four (94) electrical inspectors, if not more, will be needed in the coming fiscal year to provide inspection services. With this number of contractors required, an RFP would be so cumbersome in the submittal of proposals and the reviewing of such proposals, that the citizens of the state would likely suffer undue delay in obtaining electrical inspections which could yield dire results given the paramount importance of electrical service in society.

The ACPM process will also allow this Department to maintain an efficient means of selecting the most qualified candidates to replace inspectors or to hire additional inspectors should the need arise. The flexibility of the ACPM ensures that this Department will be able to meet the statutory obligations imposed upon it to provide electrical inspections to the citizens of this state in a timely manner.

**9) Proposed Alternative Procurement Procedures & Contractor Selection Criteria :**

Item nine (9) is not applicable as this ACPM is simply requesting permission to extend the present Deputy Electrical Inspectors' contracts, expiring on June 30, 2006, until September 30, 2006.

**10) Documentation of Office for Information Resources Endorsement :**  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**11) Documentation of Department of Personnel Endorsement :**  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**12) Documentation of State Architect Endorsement :**  
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**  
(must be signed & dated by the procuring agency head or authorized signatory)

*Paul A. Flowers/EAD*

*6/14/2026*

Agency Head Signature

Date

CHAPTER NO. 877

SENATE BILL NO. 3927

By Kyle, Cooper, Beavers, Black, Bowers, Bryson, Burchett, Burks, Cohen, Crowe, Crutchfield, Finney, Fowler, Harper, Haynes, Henry, Herron, Jackson, Ketron, Kilby, Kurita, McLeary, McNally, Miller, Norris, Curtis S. Person, Jr., Ramsey, Southerland, Tracy, Williams, Woodson, Mr. Speaker Wilder

Substituted for: House Bill No. 4028

By McMillan, Curtiss

AN ACT to amend Tennessee Code Annotated, Title 68, Chapters 102 and 221, relative to electrical inspections.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 68-102-143, is amended by deleting subsection (a) and subsection (b)(1) in their entirety and by substituting instead the following language:

(a) (1) The Commissioner of Commerce and Insurance may, in addition to the preceding provisions, authorize and appoint any person, acting through a professional corporation pursuant to § 48-101-601, who meets the qualifications as enumerated in subsection (a)(2) or (a)(3) as a commissioned deputy electrical inspector in this division, who shall have all the power of other deputies and assistants to enter any building or premises to make inspections of such buildings and their contents, and to report such inspections in writing to the commissioner. The commissioner is directed to contract with each deputy electrical inspector through his or her professional corporation to provide electrical inspection services. Such contracts shall be between the commissioner and the professional corporation employing such electrical inspector and such electrical inspectors shall not be deemed employees of the state for payroll purposes or otherwise.

(2) A deputy electrical inspector shall possess:

(A) A high school diploma or GED certificate;

(B) Practical experience consisting of at least five (5) years in electrical installation or inspection; and

(C) Proof of having passed a nationally recognized certification examination prescribed by the commissioner in both electrical one- and two-family dwellings and electrical general.

(3) Deputy electrical inspectors under contract with the commissioner on June 30, 2006, shall be deemed to meet the qualification standards set forth herein. However, the commissioner may contract with a deputy electrical inspector meeting two (2) of the three (3) requirements of subdivision (2) if the commissioner is unable to locate a fully qualified individual, provided that the

individual meets all of the requirements within one (1) year after the date of the contract.

(4) The commissioner shall provide a program to ensure that electrical inspection services are available throughout the state on a timely basis. An inspection shall be considered timely if it is performed within three (3) working days of when the request is made to the inspector.

(b) (1) Deputy electrical inspectors appointed by the commissioner, or by the city official designated by the commissioner to make appointments in cities or municipalities authorized by the commissioner to conduct electrical inspections, are authorized to inspect electrical installations upon receipt of a request from the owner of the property, a licensed electrical contractor, or from any person, association, or corporation supplying electrical energy to the installations, or from municipal governing bodies, or from the county legislative body of the county in which the installations are located. Each inspector, acting through his or her professional corporation, is authorized to charge for and receive a fee for each inspection.

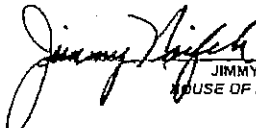
SECTION 2. Tennessee Code Annotated, Section 68-221-414(a), is amended by deleting the language and punctuation "official electrical inspector, employed by or" and substituting instead the language "deputy electrical inspector".

SECTION 3. For purposes of effectuating the intent of this act, the Commissioner of Commerce and Insurance is authorized to promulgate rules, including, but not limited to, rules by public necessity, in accordance with the Uniform Administrative Procedures Act, compiled in Title 4, Chapter 5.

SECTION 4. For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect October 1, 2006, the public welfare requiring it.

PASSED: May 26, 2006

  
JOHN S. WILDER  
SPEAKER OF THE SENATE

  
JIMMY NAIFEH, SPEAKER  
HOUSE OF REPRESENTATIVES

APPROVED this 15<sup>th</sup> day of June 2006

  
PHIL BREDESEN, GOVERNOR